

JOINT CHAIRMEN'S REPORT – CAPITAL BUDGET

DE0201 General State Facilities

DE02.01 (D) Capital Facilities Renewal \$6,049,000

<u>Request</u>	<u>Authorization</u>	<u>Change</u>
8,049,000	6,049,000	(2,000,000)

Explanation: This action reduces funding for capital facilities renewal projects by \$2.0 million.

DE02.01 (G) Construction Contingency Fund..... \$2,000,000

<u>Request</u>	<u>Authorization</u>	<u>Change</u>
1,000,000	2,000,000	1,000,000

Explanation: Due to rising steel and other materials costs, authorized construction projects will encounter higher than anticipated costs this year. This addition to the Construction Contingency Fund provides extra funds to meet these increased costs.

Committee Narrative

Capital Facilities Renewal Project List: The committees request that the Department of General Services (DGS) follow the \$76.9 million project list provided to the General Assembly. Recognizing that unforeseen emergencies may need to be handled immediately, the committees request that a letter of notification be sent to the chairmen of the committees and to the Department of Legislative Services regarding any changes to the list prior to expenditure.

Information Request	Author	Due Date
New capital facilities renewal projects – letter of notification	DGS	As required, prior to expenditure

Capital Project Supplemental Funding Report: The committees would like an accurate accounting and list of capital projects that have received supplemental capital appropriations. While the committees recognize that supplemental funding does not necessarily equate to project cost overruns, an evaluation that includes an analysis of supplemental funding requests will help the committees to better understand the capital project cost evaluation and construction management processes. The committees therefore request that the Department of Budget and Management (DBM) Office of Capital Budgeting, in consultation with the Department of General Services, undertake a review of all capital projects that received capital appropriations for construction between June 1, 1995, and June 1, 2003, and provide the committees with a report that lists each project that required supplemental or additional appropriations in order to complete the project. For each project that is deemed to have received supplemental or additional capital funding, DBM should evaluate and provide comment concerning the basis for the funding.

Information Request	Author	Due Date
Supplemental Funding Capital Project Report	DBM Office of Capital Budgeting	December 1, 2004

K Department of Natural Resources

KA05 (A) GreenPrint Program.....\$3,000,000

<u>Request</u>	<u>Authorization</u>	<u>Change</u>
5,000,000	3,000,000	(2,000,000)

Explanation: This reduction reflects the fact that land preservation funding is available through other programs.

KA05 (E) Rural Legacy Program.....\$2,000,000

Add the following language:

(E) Rural Legacy Program. Provide funds for the purchase of conservation easements and the acquisition of land. The funds appropriated for this purpose shall be administered in accordance with Sections 5-9A-01 through 5-9A-07 of the Natural Resources Article (Statewide)..... 2,000,000

<u>Request</u>	<u>Authorization</u>	<u>Change</u>
0	2,000,000	2,000,000

Explanation: The language adds the Rural Legacy Program to the bill and provides \$2.0 million for the program.

Section 1 Fund Deauthorization

Add the following language:

(6) The proceeds of the loan must be expended or encumbered by the Board of Public Works for the purposes provided in this Act no later than June 1, 2011. If any funds authorized by this Act remain unexpended or unencumbered after June 1, 2011, the amount of the unexpended or unencumbered authorization shall be canceled and be of no further force and effect. If bonds have been issued for the loan, the amount of unexpended or unencumbered bond proceeds shall be disposed of as provided in Section 8-129 of the State Finance and Procurement Article.

Explanation: This language provides that general obligation bond sale proceeds authorized in the Maryland Consolidated Capital Bond Loan of 2004 that remain unencumbered or unexpended after June 1, 2011, shall be deauthorized.

Article – Natural Resources

Strike the following language:

~~Article – Natural Resources~~

~~{5-9A09.~~

~~The Governor shall include in the annual capital budget an amount not less than \$5 million of this program.]~~

Explanation: This action retains statutory language requiring the Governor to include at least \$5.0 million in the annual capital budget for the Rural Legacy Program.

Add the following language:

Article - Natural Resources

5-902.

(a) The General Assembly declares that there is need for a program to make funds available to State agencies and any subdivision to:

(1) Expedite acquisition of outdoor recreation and open space areas before escalating cost of land prevents its purchase for public use and before potential areas are devoted to some other use; and

(2) Accelerate development and capital renewal of needed outdoor recreation facilities.

(b) This program is known as Program Open Space and carries out the recommendations of the 1968 Legislative Council committee on recreational areas. By enacting this program, the General Assembly intends to provide funds to the State and its subdivisions to enable them to acquire land for outdoor public recreation and open space use and develop the land for public recreation.

(c) (1) To effectuate the purposes of this section, the General Assembly has established a funding program under Chapter 403 of the Acts of the General Assembly of 1969.

(2) IN ANY FISCAL YEAR IN WHICH FUNDING FOR PROGRAM OPEN SPACE IS PROVIDED THROUGH THE STATE CONSOLIDATED CAPITAL BOND FUNDING PROGRAM OR OTHER BOND ENABLING ACT, THE DEBT ALLOCATIONS SHALL BE PROVIDED TO THE DEPARTMENT OF NATURAL RESOURCES AND THE DEPARTMENT SHALL ALLOCATE FUNDS AMONG LOCAL GOVERNING BODIES ACCORDING TO THE APPORTIONMENT FORMULA DESCRIBED IN § 5-903 OF THIS SUBTITLE.

5-905.

(a) (1) On or before May 1 of each year, the Department shall notify each local governing body of its allocation of local acquisition and development funds for the next fiscal year within the limits imposed by the formula developed for the apportionment of the annual appropriations for Program Open Space.

(2) (i) By the first of July each year, a participating local governing body shall submit an annual program of proposed acquisition and development projects, together with a list of projects submitted by any municipal corporation to the local governing body and not included in the local governing body's annual program, to the Department of Planning for review and to the Department for approval.

(ii) A municipal corporation may submit an annual program through its local governing body.

(3) (i) Upon review by the Department of Planning and approval by the Department and the Board of Public Works, THE ALLOCATED FUNDS SHALL BE ENCUMBERED FOR THE PURPOSES OF §§ 7-305(D)(3) AND 8-128(C) OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND the annual program shall become the basis for a grant agreement for the total allocation to each of the local governing bodies.

(ii) Prior to approval of a local annual program, or any revision thereof, the Department shall provide the legislators from the district within which any part of the local jurisdiction is located the opportunity to review and comment on the annual program or its revisions.

(4) Any program may be revised by the local governing body and the revised program, after the Department of Planning reviews and the Department approves it, shall be substituted for the original program in the grant agreement.

(5) (i) In accordance with the Department's regulations, upon receipt of evidence from the local governing body of a county or municipal corporation that funds have been spent on a project that is approved in the grant agreement, the Department shall cause the requested amount of funds from the local governing body's allocation to be reimbursed to the local governing body.

(ii) Any municipal corporation may submit evidence of expenditures for approved projects through its local governing body to the Department.

8-1103.

Article – Natural Resources

(a) (1) There is an Ocean Beach Replenishment Fund, consisting of moneys appropriated for that purpose in the State budget or in any bond enabling act and any money contributed by local jurisdictions in accordance with this section.

(2) The Fund shall be maintained for the purposes stated in this section, and unspent portions of any appropriations to the Fund shall remain in the Fund and may not revert to the General Fund AND ANY PROJECT OR PROGRAM FUNDED UNDER THIS SUBTITLE IS NOT SUBJECT TO THE PROVISIONS OF §§ 7-305(D)(3) AND 8-128(C) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) Any interest earned by the State on any funds contributed by local jurisdictions shall:

(i) Accrue to the Fund; and

(ii) Be applied to reduce the annual maintenance payments of the local jurisdictions.

SECTION 12. AND BE IT FURTHER ENACTED, That all prior capital appropriations and all prior authorizations of State debt, if any, allocated for Program Open Space under § 5-905 of the Natural Resources Article, that are unexpended as of June 1, 2004, shall be deemed encumbered for the purposes of §§ 7-305(d)(3) and 8-128(c) of the State Finance and Procurement Article as of the date of approval of the annual program submitted by each local governing body under § 5-905 of the Natural Resources Article.

Explanation: The language exempts Program Open Space – Local Program funds from existing statute that specifies that the authority to spend the appropriation for capital projects terminates seven years after the effective date of the Act.

Article – State Finance and Procurement

Add the following language:

Article - State Finance and Procurement

10-305.

(a) (1) Any real or personal property of the State or a unit of the State government may be sold, leased, transferred, exchanged, granted, or otherwise disposed of:

[(1)] (I) to any person, to the United States or any of its units, or to any unit of the State government, for a consideration the Board decides is adequate; or

[(2)] (II) to any county or municipal corporation in the State subject to any conditions the Board imposes.

(2) THE BOARD MAY NOT APPROVE THE SALE OF ANY STATE OWNED REAL OR PERSONAL PROPERTY FUNDED PURSUANT TO AN APPROPRIATION ACT OF THE MARYLAND GENERAL ASSEMBLY IF THE PROPERTY HAS AN APPRAISED VALUE OVER \$100,000 UNTIL:

(I) A DESCRIPTION OF THE REAL OR PERSONAL PROPERTY HAS BEEN SUBMITTED TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE APPROPRIATIONS COMMITTEE FOR REVIEW AND COMMENT; AND

(II) 45 DAYS HAVE ELAPSED SINCE THE DESCRIPTION WAS SUBMITTED.

Explanation: The language requires that a description of certain State owned real or personal property with an appraised value of over \$100,000 be submitted to the budget committees 45 days prior to the approval of the sale of that property by the Board of Public Works.